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use the same reporting period. Central office costs shall be reported in accordance with KAR 30-10-27. Attach a detailed schedule listing the central office costs and method of allocation to each facility. Submit a copy of the Medicare Home Office Cost Report if applicable. The same method of allocation used on the Medicare Cost Report must be used in the Medicaid Cost Report.

Allowable central office costs are subject to the following conditions:

- Only expense allocations related to Kansas facilities will be allowed.
- Purchases from related-party vendors - Costs of resident-related goods and services supplied to the central office by related parties will be allowed at the lower of the cost to the vendor or the charge to the central office;
- Costs directly attributable to a specific provider or non-provider activity must be allocated directly to the entity for which they were incurred;
- Salaries of owner/related parties - Any of these costs that are included in central office costs must be reported on line 121;
- Central office bulk purchases of adult care home supplies - These expenses may be allocated to the supplies lines in the appropriate cost centers, if the allocation method is adequately documented; and
- Consultants - Costs directly applicable to the indirect and direct health care cost centers may be reported on the applicable consultant lines in these cost centers.

Office Supplies and Printing - Line 152 - Report all office supplies, postage, duplicating and printing expenses on this line. The printing and duplicating of forms are considered to be an administrative expense and shall not be reported in any other cost center. The exception to this rule is medical records forms that may be reported on line 351, Nursing Supplies.

Telephone and Other Communication - Line 153 - Report routine telephone and communications expense on this line regardless of the department or cost center benefit.

Travel - Line 154 - Report administrative and staff travel expenses that are related to resident care. Vehicle costs must be documented by detailed expense and mileage records kept at the time of the travel activity. Estimates shall not be acceptable. Exceptions:

- 1) Long term or recurring vehicle lease expense for business purposes shall be reported on line 402.
- 2) Expenses associated with the personal use of a vehicle are not allowable unless reported within otherwise allowable limits of compensation.
- 3) Costs related to "in town" entertainment are non-allowable.
- 4) Travel expenses related to Provider board meetings are non-allowable.
- 5) Resident transportation expense shall be reported on line 258.

Advertising & Recruitment- Line 155 - Report allowable advertising and recruitment expense on this line. This line shall be used for fees paid to employment agencies, employment advertisements and ads in telephone directories. Fund raising, public relations, advertising for resident utilization and sponsorships are not allowable and shall be reported on line 505.

Licenses and Dues - Line 156 - Report allowable licenses and dues expense on this line. Refer to KAR 30-10-23a for non-reimbursable dues and membership costs. Personal automobile club memberships are not allowable unless reported as compensation.

Accounting and Data Processing - Line 157 - Report accounting expense on this line, except fees paid to owner/related party firms or individuals which must be reported on the owners compensation line 121. Data processing expense related to financial management (i.e., accounting, payroll, budgeting, etc.) shall be

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reported on this line.

Liability Insurance - Line 158 - Report liability insurance expense on this line.

Other Insurance - Line 159 - Report property insurance expense on this line. Workers' compensation and employee health and life insurance expense shall be reported on employee benefit lines. Insurance premiums on lives of owners and related parties are not an allowable expense, and shall be reported on line 505.

Interest - Line 160 - Report the interest expense related to operating loans and equipment purchases. Submit copies of each new note of \$5,000 or more for the year originated. Interest on loans for real and personal property that is included in a re-base, in accordance with KAR 30-10-25e, shall be reported with real estate interest on line 401.

Legal - Line 161 - Report allowable legal expense on this line, subject to KAR 30-10-1a, 23a, and 23b. Allowable fees paid to owner/related party firms or individuals must be reported as owner/related party compensation on line 121.

Criminal Background Check - Line 162 - Report the amount expended for criminal background checks for all employees on this line.

Real Estate and Personal Property Taxes - Line 163 - Report all real and personal property taxes on this line.

Maintenance & Repairs - Line 164 - Report all maintenance and repair expenses applicable to the building, grounds, equipment and vehicles.

Operating Supplies - Line 165 - Report supplies expense incidental to the operation and maintenance of the building, grounds, and equipment.

Small Equipment - Line 166 - Equipment purchases of \$500 to \$1,000 that were not capitalized must be expensed on this line. Equipment purchases of \$1 to \$499 may be reported in the cost center of benefit as a supply expense.

Other - Line 181 - Report miscellaneous expenses incidental to the operation and/or maintenance of the facility and grounds. These include but are not limited to amortization of administrative organizational and/or start-up costs, trash hauling, snow removal and lawn care. This line shall be used for training and educational expenses for employees with salaries reported in the operating cost center.

Housekeeping Salaries - Line 202 - Report the hours paid and salaries of housekeeping and janitorial staff involved in floor care and in cleaning of the building.

Therapy Salaries - Lines 205-210 - Report the hours paid and salaries of therapists who are directly involved in providing health care. Note: Physical, occupational, speech, and respiratory therapy salaries are subject to the same allowance as therapy consultants.

Medical Records/Resident Activities/Social Worker/ Other Salaries - Lines 204, 211-213 - Report the hours paid and salaries on the appropriate line for these classifications. Specify the job classification of other indirect health care salaries.

Consultants - Lines 231-238 - Record the fees paid to consultants on the appropriate lines. Provider adjustments for physical therapy, occupational therapy, speech therapy, respiratory therapy, and other therapies shall be in accordance with KAR 30-10-15a(b)(5). Submit a work paper with the cost report that shows the units and calculation of the allowable Medicaid/Medicaid therapy expenses.

Utilities Except Telephone - Line 251 - Report expenses for gas, water, electricity, heating oil, etc. Cablevision may be considered a utility or resident activity expense.

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Food - Line 252 - Report all food costs. Nutritional supplements are to be included on line 351. The provider shall be required to keep records on the total number of meals served to residents, employees, guests, and outside programs. If the food expense for the employees, guests, and outside programs is included in the MS-2004 expenses, the expense should be offset against the dietary cost center as follows:

- A. Line 201 - Dietary Salaries
 - Line 219 - Dietary Portion Employee Benefits
 - Line 221 - Dietary Owner/Related Party Compensation
 - Line 231 - Dietary Consultant
 - Line 252 - Food
 - Line 253 - Dietary Supplies
 - Line 281 - Other
- Total Dietary Cost ÷ Total Number of Meals Served = Cost Per Meal

B. Cost per meal x number of meals served to employees, guests, and outside programs = amount of offset

C. The cost of free employee meals shall be allocated and reported on employee benefit lines. If employees pay less than the cost for a meal, the difference between the meal revenue and cost may be reported as an employee benefit.

Dietary Supplies - Line 253 - Report supplies expense directly related to the preparation and service of food to the residents unless further restricted by another expense line (i.e., printed menus are reported on line 152 - Office Supplies and Printing). Examples include but are not limited to paper goods, kitchen utensils, etc.

Linen and Bedding Material - Line 254 - Report linen and bedding material expenses on this line.

Laundry and Linen Supplies - Line 255 - Report all supplies expense directly related to laundry and linen services for the residents, unless restricted by another line.

Housekeeping Supplies - Line 256 - Report all supplies expense related to keeping the building clean and sanitary. Floor care supplies shall be expensed on this line.

Resident Activity Supplies - Line 257 - Report the supplies expense involved in providing resident activities. This does not include the cost of newsletters, which should be included in line 152.

Resident Transportation - Line 258 - Report resident transportation expense incurred for non-emergency medical, shopping, activities, etc., in which the residents are the primary passengers. Trip logs must be kept to document the expense. Do not include vehicle lease, interest, depreciation, insurance or other expense restricted to another expense line.

Acceptable methods of allocating cost to line 258, Resident Transportation are as follows:

- 1) Allocated at a set rate per mile. The rate would be determined by dividing total vehicle expense, not restricted to another expense line, by the total miles. The IRS allowed rate per mile is not acceptable because it includes factors for depreciation, insurance and repairs.
- 2) Allocated directly per the following formula:

$$\frac{\text{Resident Travel Miles}}{\text{Total Miles}} \times \frac{\text{Total Vehicle Expenses not Restricted to Another Expense Line}}{\text{Total Miles}} = \text{Resident Travel Expense}$$

- 3) If private vehicles are used to transport residents, the entire amount of the reimbursement paid to the employee for use of the vehicle is allowable as Resident Transportation. The rate of reimbursement must, however, be reasonable.

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Barber and Beauty - Line 259 - Report the barber and beauty expenses on this line. If you charge residents for these services offset the expense up to the revenue received in column 3.

Nursing Aide Training - Line 260 - Report the costs of fees, tuition, books, etc. for education or training seminars provided to aides with salaries reported on lines 303, 304, and 306. Travel, lodging and meals associated with the education/seminars may be reported on this line.

Other Health Care Training - Line 261 - Report the costs of fees, tuition, books, etc., for education or training seminars to employees, except aides reported on line 303, 304 and 306, with salaries reported in the Indirect or Direct Health Care cost centers. Travel, lodging and meals associated with the education/seminars may be reported on this line.

Aides- Lines 303, 304, and 306 - Record the hours paid and salaries of aides involved in direct resident care, on the line that most appropriately defines their classification.

Nursing Supplies - Line 351 - Report expenses of all routine supplies directly related to the provision of nursing and/or health related services for residents, unless further restricted by another expense line. Medical records forms may be expensed on this line. Nutritional supplements shall be reported on this line.

Total Rate Formula Costs - Line 399 - Enter the sum of the totals in the Operating, Indirect Health Care, and Direct Health Care cost centers.

Interest on Real Estate - Line 401 - Report all interest expense incurred for the acquisition or construction of real estate. Describe fully on Schedule D. Include amortization expense for loan costs. The interest for equipment and furnishings purchased along with the building shall be reported on this line. Report interest expense on loans for real and personal property included in a re-base of the real and personal property fee, in accordance with KAR 30-10-25e.

Rent or Lease Expense - Line 402 - Report all recurring rent and lease expense regardless of the item and use except therapeutic beds which are non-allowable or computer software lease expense which can be reported in the cost center of benefit or line 157, Accounting and Data Processing.

Amortization of Leasehold Improvement - Line 403 - Report only amortization of leasehold improvements on this line. Leasehold improvements are defined as betterments and additions made by the lessee to the leased property. Such improvements become the property of the lessor after the expiration of the lease.

Depreciation Expense - Line 404 - This amount must be computed by the straight-line method. Such amounts must be reconciled to a detailed depreciation schedule. The determination of capitalized property must be in conformity with Generally Accepted Accounting Principles. If an item or related items purchased in bulk (beds, chairs, tables, etc.) exceed a cost of \$1,000, they shall be capitalized. Attach a detailed depreciation schedule to the cost report.

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Non-Reimbursable & Non-Resident Related Items

General: Lines 501-514- Provider adjustments must be made in column 3 that offset column 2 expenses in total. Column 4 will show zero expenses.

Fund Raising/Public Relations/Advertising for Resident Utilization - Line 505- Include non-allowable advertising expenses. See Line 155 - Advertising and Recruitment.

Oxygen Concentrators & Cylinders - Line 507 - Billing for reimbursement of oxygen, cylinder rental and allowable supplies is to be done by the oxygen supplier to the fiscal agent. Homes with a central supply are to bill the fiscal agent directly.

Drugs (Pharmaceuticals) - Line 508 - Report expenses for prescription drugs and other items not covered as a routine item in KAR 30-10-15a.

Resident Purchases - Line 511 - Report the expense for items purchased for residents but not listed as routine services or supplies in KAR 30-10-15a.

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SCHEDULE B - EXPENSE RECONCILIATION

General: This schedule shall be used to reconcile the expenses reported on the Nursing Facility Financial and Statistical Report (Form MS-2004) to the provider's financial books and federal tax return.

Books - Column 1 - Reflect the expenses as they appear in the general ledger or other financial records.

Federal Tax Return - Column 2 - Reflect the expenses as they appear on the federal tax return.

Cost Report - Column 3 - Reflect the expenses as they were reported on the cost report the Expense Statement, Schedule A.

Total Expenses Per Books - Line 601 - Record the total expenses per the general ledger or other financial records in Column 1.

Total Expenses Per Federal Tax Return - Line 602 - Record total expenses from tax return in Column 2.

Total Expenses Per Cost Report - Line 603 - Enter total expenses from the Expense Statement, Schedule A (Column 2 line 599) in Column 3.

Expenses on Books or Federal Tax Return Not on Cost Report - Lines 604 & 605 - Itemize each expense reflected in the books or federal tax return and not included in the cost report. These expenses should be recorded in the appropriate column under books and/or federal tax return as an offset to the total expense in that column. Use an additional schedule if necessary to list expenses.

Expenses on Cost Report Not on Books or Federal Tax Return - Lines 606 & 607 - Itemize the expense reflected in the cost report but not in the total from the books or tax return. These items should be offset to the total expense in Column 3 - Cost Report. Use an additional schedule if necessary.

Totals - Line 608 - The differences between the totals per lines 601 (books), 602 (federal tax return) and 603 (cost report) less the negative adjustments in lines -604-607 in each of the three columns shall be entered on line 608. The adjusted totals per the books, federal tax return and cost report shall agree after the applicable offsets to the total expenses reported.

Working Trial Balance: The working trial balance should reflect how the costs on the books are reported on the Nursing Facility Financial and Statistical Report. This detailed reconciliation also applies to providers who use a different fiscal year end for IRS but are reporting on the required calendar year end, beginning in 1991, for Medicaid rate setting purposes.

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SCHEDULE C - STATEMENT OF OWNERS AND RELATED PARTIES

General: List all owners of the provider entity with 5% or more ownership interest and all related parties (KAR 30-10-24). Fill out Schedule C completely and accurately. Attach an additional schedule if more explanation or space is needed. Providers shall base all allocations on reasonable factual information and make the information available on request. Such information shall include details of dates, hours worked, nature of work performed, how it relates to resident care and the prevailing wage rates for such activities.

ENTER - Name, Social Security Number and Address

Column (1) - % of ownership (if applicable) or state the relationship to owner

Column (2) - % of time devoted to this facility per customary workweek

Column (3) - Total salaries, drawings, consulting fees, and other payments to owners and related parties as defined in KAR 30-10-1a and KAR 30-10-24.

Column (4) - List the titles, functions or descriptions of the jobs performed or transactions made with all owners and related parties. The job titles should correspond with those included in the Owner/Related Party Salary Chart (please refer to KAR 30-10-24).

Column (5) - Enter the distribution by cost report line item of the total compensation incurred for all job functions. Owner/related party compensation shall be reported on the owner compensation expense lines (121, 122, 221, and 321) in Schedule A.

Totals - The total compensation in Column 3 and Column 5 should agree. These two totals should also agree with the total of lines 121, 122, 221, and 321 from Schedule A.

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**SCHEDULE D - STATEMENT RELATED TO INTEREST ON ALL
BONDS, LOANS, NOTES, AND MORTGAGES PAYABLE**

Note: Submit copies of loan agreements and amortization schedules with this cost report for all loans of \$5,000 or more. Failure to document interest expense is cause for disallowance. (KAR 30-10-15b). Schedules need to be submitted for related party loans showing the interest paid, check numbers and dates.

Column (1) - Enter the original date and duration of the loan in months.

Column (2) - Enter the interest rate. If it is a variable rate, provide the range of the interest rates for the cost report period.

Column (3) - Enter the amount of the loan.

Column (4) - Enter the unpaid principal balance at the end of the cost report period. The total of Column 4, Line 667, must agree with the Balance Sheet, Schedule E.

Column (5) - Enter the total amount of interest and principal payments made during the cost report year.

Column (6) - Enter the total amount of interest incurred during the cost report year. The total of Column 6, Line 667 must agree with the total interest reported on Schedule A, Lines 160 and 401.

Lines -651-666 - Enter each lender's name, address and the items financed. Indicate whether the interest expense was reported on line 160 or line 401 of Schedule A. If interest expense on a loan is pro-rated to both lines, show the breakdown.

Line 667 - Enter the totals of Column 4 - Unpaid Balance and Column 6 - Interest Expense, for Lines 651-666 as reported on lines 160 and 401 in Schedule A.

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SCHEDULE E - BALANCE SHEET

General: The balance sheet should be prepared from the books of the specific facility for which the cost report is filed. In other words, chain units should report only those balance sheet accounts that relate to the particular facility for which the cost report applies. Subject to the above, the balance sheet must be prepared in conformity with Generally Accepted Accounting Principles. Report all ownership claims that are customarily used by your particular type of entity. A partial listing of these accounts by type of entity follows:

Individual Proprietor	Owner's Capital
Partnership	Partner's Capital Accounts
Not-For-Profit Entities	Fund Balance
Corporation	Common Stock, Additional Paid in Capital, Retained Earnings
Chain Unit - All Chain Units	Central or Home Office Account (regardless of type of ownership)

NOTE: Beginning of period account balances shall be reported for providers allowed to submit projected cost reports.

Lines 705, 706, 707 & 723 - If the amount reported exceeds \$10,000, attach a schedule showing the details.

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SCHEDULE F - RECONCILIATION OF BEGINNING AND ENDING RESIDUAL BALANCES

General: This schedule explains the change in owner's equity or the fund balance from the beginning to the end of the cost reporting period.

Beginning Balance

Line 751 - Enter the beginning owner's equity or fund balance. This is the total of Column 2 lines 727-729 in the Balance Sheet, Schedule E.

Increase to Owner's Equity or Fund Balance

Line 752 - Enter total revenue from Schedule G, Column 1, Line 822.

Line 753 - Enter the total of cash or other assets transferred or contributed by the owners.

Line 754 - Enter the total of cash or other assets transferred or contributed by the central office.

Line 755 - Enter the proceeds from the sale of common stock.

Line 756 & 757 - Enter and specify all other transactions which increase the residual owner equity or fund balance accounts.

Line 758 - Enter the total of Lines 752-757.

Decreases to Owner's Equity or Fund Balance

Line 761 - Enter the total expenses per Schedule A, Column 2, Line 599.

Line 762 - Enter total of cash or other assets withdrawn by the owners but not reported in the Expense Statement, Schedule A.

Line 763 - Enter total cash or other assets withdrawn by the central office.

Line 764 - Enter the total of duly declared dividends paid to stockholders.

Line 765 - Enter the depreciation expense in excess of the straight line method unless reflected as a negative adjustment in Schedule A, Line 404, Column 3.

Line 766 & 767 - Enter and specify all other transactions which decrease the residual owner equity or fund balance accounts.

Line 768 - Enter the totals of Lines 761-767.

Ending Balance

Line 769 - Enter the net of adding lines 751 and 758 and subtracting line 768. The balance at the end of the period (line 769) should equal the total of Column 4, lines 727-729 in the Balance Sheet, Schedule E.

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SCHEDULE G - REVENUE STATEMENT

Column 1 - Enter the revenues from the general ledger accounts on the appropriate lines. Revenues from services not designated on this schedule must be identified and reported on line 821. The amount of the total revenue entered on line 822, Column 1 must also be entered on line 752, Beginning and Ending Residual Balances Reconciliation, Schedule F.

Column 2 - Enter the amount of the offset to the appropriate expense accounts. **Note the Following:** The amount of the offset should be the cost of reimbursable expenses. Non-reimbursable items (i.e. Vending) are offset at cost.

Column 3 - Enter the line number of the expense reported on the Expense Statement, Schedule A, against which the offset has been made. The amount of the offset must be entered in Column 3, Provider Adjustments, on the Expense Statement, Schedule A.

Line 807 - Routine Nursing supplies sold to private pay residents.

There is no offset required for routine items covered under KAR 30-10-15a that are sold to private pay residents.

Line 810 - Resident Purchases/Non Routine Items Sold - Enter the total of all reimbursements for personal purchases not designated as routine items in KAR 30-10-15a.

Line 817 - Adult Day Care/Treatment Income - Enter total revenue from all sources for adult day care and day treatment programs.

Line 820 - Non-Nursing Facility Residential Income - Enter total revenue from assisted living, residential care, and apartments.

SCHEDULE H(1) - STATEMENT OF RELATED ADULT CARE HOME INFORMATION

General: All Kansas facilities operated by common ownership or related parties shall be listed. Common ownership and related parties are defined in KAR 30-10-1a. Additional schedules shall be attached as necessary. If the provider is a publicly held entity, provide the annual report and a Form 10-K.

SCHEDULE H(2) - STATEMENT OF NON-RESIDENT RELATED ACTIVITIES

General: Indicate any non-resident related activities that you participate in at the facility for which you are reporting by marking yes in column (1). If adjustments were made on schedule A for any of these activities indicate so by marking yes in column (2). List additional activities that are not identified on the lines provided. Attach a separate schedule if additional room is required.

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SCHEDULE J - EMPLOYEE TURN OVER REPORT

Column 2 - Show the total number of employees at the beginning of the cost report period for each classification.

Column 3 - Show the total number of employees hired during the cost report period for each classification.

Column 4 - Show the total number of employees who ended employment during the cost report period for each classification.

Column 5 - Show the total number of employees at the end of the cost report period for each salary classification.

Column 6 - From the total number of employees listed in column 5, show how many are full-time and how many are part-time.

Column 7 - From the total number of employees listed in column 5, show how many were included in column 2 as employees at the beginning of the cost report period.

The number of employees listed in column 2, plus the number of employees listed in Column 3, less the number of employees reflected in Column 4, should equal Column 5. Please explain any discrepancy. The W-2's are an excellent source of information for the calendar year end cost report.

ATTENTION

The cost report is not considered complete unless all required documents are submitted with the cost reports. Review the list of questions/documents following Schedule J in the Cost Report.

DECLARATION STATEMENT

Declaration by Owner, Partner, or Officer of the Corporation, City or County which is the Provider. The cost report is not considered complete unless signed by an owner or authorized agent of the facility and/or business and the preparer. If person signing is not an owner or partner, documentation or a resolution stating their authority to sign needs to be attached. It is not required, if it has been submitted previously and has not changed. If the facility/business owner and the preparer are the same individual, please sign both spaces. Print the names of the owner/authorized agent and preparer in the space provided. PLEASE READ DECLARATION STATEMENT.

30-10-18. Rates of reimbursement. (a) Rates for existing nursing facilities.

(1) The determination of per diem rates shall be made, at least annually, on the basis of the cost information submitted by the provider and retained for cost auditing.

(A) The cost information for each provider shall be compared with the cost information for other providers that are similar in size, scope of service, and other relevant factors to determine the allowable per diem cost.

(B) Rates effective with service dates beginning July 1, 2002 shall be in effect at least six months, but no longer than 12 months in state fiscal year 2003 and shall be determined as follows:

(i) A factor for inflation shall be applied to the allowable per diem cost in effect on June 30, 2002.

(ii) A factor for inflation shall be applied to the upper payment limits in effect on June 30, 2002. The rates effective on or after July 1, 2002 shall be subject to the inflated upper payment limits.

(iii) The case mix quarterly adjustments to the health care cost center shall be based on the new inflated upper payment limit for the cost center.

(iv) A factor for inflation shall be applied to the real and personal property fee in effect on June 30, 2002.

(v) These rates shall be used to phase in the rates and upper payment limits determined in accordance with paragraphs

(a) (2)

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through (a) (7) and subsections (b) through (i) of this regulation and with K.A.R. 30-10-19(d) and K.A.R. 30-10-25(b).

(2) Per diem rates shall be limited by cost centers, except where there are special level-of-care facilities approved by the United States department of health and human services. The upper payment limits shall be determined by the median in each cost center plus a percentage of the median, using either current cost data or cost data from a prior year adjusted for inflation. The percentage factor applied to the median and any inflation factor used shall be determined by the secretary.

(A) The cost centers shall be as follows:

- (i) Operating;
- (ii) indirect health care; and
- (iii) direct health care .

(B) The property component shall consist of the real and personal property as specified in K.A.R. 30-10-25.

(C) The upper payment limit for the direct health care cost center shall be a statewide base limit calculated on each facility's case mix adjusted costs.

(i) The direct health care cost center upper payment limit for each facility shall be calculated quarterly by adjusting the statewide base limit by that facility's medicaid average case mix index.

(ii) Resident assessments that cannot be classified shall be

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assigned to the lowest case mix index.

(3) Each provider shall receive an adjusted rate for each quarter if there is a change in the facility's average medicaid case mix index from the previous quarter.

(4) To establish a per diem rate for each provider, factors for incentive and inflation shall be added to the allowable per diem cost.

(5) Resident days in the rate computation.

(A) Total resident days shall be used to calculate the per diem costs used to determine the upper payment limit and rates in the direct health care cost center. Total resident days shall be used to calculate the per diem costs used to determine the upper payment limit and rates for food and utilities in the indirect health care cost center.

(B) Resident days used to calculate the upper payment limits and rates in the operating cost center and indirect health care cost center, less food and utilities, shall be subject to an 85 percent minimum occupancy requirement based on the following:

(i) Each provider that has been in operation for 12 months or longer and has an occupancy rate of less than 85 percent for the cost report period shall have the resident days calculated at the minimum occupancy of 85 percent.

(ii) The 85 percent minimum occupancy requirement shall be applied to the resident days and costs reported for the 13th month